FINANCIAL STATEMENTS

Canada Company: Many Ways to Serve
Contents
For the year ended December 31, 2022

Independent Auditor's Report

To the Directors of Canada Company: Many Ways to Serve:

Qualified Opinion

We have audited the financial statements of Canada Company: Many Ways to Serve (the "Organization"), which comprise the statement of financial position as at December 31, 2022, and the statements of operations and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, Canada Company derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of Canada Company. Therefore, we were not able to determine whether any adjustments might be necessary to donations revenues, excess (deficiency) of revenue over expenses and cash flows from operating activities for the years ended December 31, 2022 and 2021, current assets as at December 31, 2022 and 2021 and fund balances as at January 1 and December 31 for both the 2022 and 2021 years.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other Matter

The financial statement for the year ended December 31, 2021 were audited by another auditor who expressed modified opinion on those statements on April 8, 2022 for the reasons described in the Basis for Qualified paragraph..

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

3100 Steeles Avenue East, Suite 700, Markham, Ontario, L3R 8T3

Those charged with governance are responsible for overseeing the Organization’s financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Markham, Ontario

Chartered Professional Accountants

Licensed Public Accountants

FINANCIAL STATEMENTS

Canada Company: Many Ways to Serve
Statement of Financial Position
As at December 31, 2022

	2022	2021
Assets		
Current		
Cash	**925,874**	1,268,417
Pledges receivable	**116,596**	5,000
HST rebate receivable	**20,120**	18,808
	1,062,590	1,292,225
Liabilities		
Current		
Accounts payable and accruals	**44,287**	91,149
Fund balances		
General fund	**1,018,303**	1,201,076
	1,062,590	1,292,225

Approved on behalf of the Board

Director

Founder & Chair

Director

The accompanying notes are an integral part of these financial statements

Canada Company: Many Ways to Serve
Statement of Operations and Changes in Net Assets

For the year ended December 31, 2022

	General Fund	Scholarship Fund	2022	2021
Revenue				
Donations	**618,459**	**-**	**618,459**	640,030
Designated giving	**-**	**184,086**	**184,086**	84,063
Government subsidies (Note 7)	**-**	**-**	**-**	45,374
Investment Income	**-**	**-**	**-**	1,067
	618,459	**184,086**	**802,545**	770,534
Expenses				
Program costs (Note 5)	**358,980**	**-**	**358,980**	374,682
Salaries and benefits	**251,976**	**-**	**251,976**	226,248
Scholarships	**-**	**184,086**	**184,086**	84,063
Marketing	**102,618**	**-**	**102,618**	86,527
Professional fees	**40,972**	**-**	**40,972**	54,512
Travel	**16,781**	**-**	**16,781**	5,855
Donations	**15,000**	**-**	**15,000**	500
Management fees	**5,554**	**-**	**5,554**	10,394
Interest and bank charges	**4,046**	**-**	**4,046**	3,720
Office and general	**3,348**	**-**	**3,348**	6,837
Monument costs	**1,663**	**-**	**1,663**	7,809
Translation expense	**294**	**-**	**294**	1,619
	801,232	**184,086**	**985,318**	862,766
Excess (deficiency) of revenue over expenses	**(182,773)**	**-**	**(182,773)**	(92,232)
Fund balances, beginning	**1,201,076**	**-**	**1,201,076**	1,293,308
Fund balances, ending	**1,018,303**	**-**	**1,018,303**	1,201,076

The accompanying notes are an integral part of these financial statements

Canada Company: Many Ways to Serve
Statement of Cash Flows
For the year ended December 31, 2022

	2022	2021
Cash provided by (used for) the following activities		
Operating		
Excess (deficiency) of revenue over expenses	**(182,773)**	(92,232)
	(182,773)	(92,232)
Changes in working capital accounts		
Pledges receivable	**(111,596)**	20,000
HST rebate receivable	**(1,312)**	42,072
Accounts receivable	**-**	10,392
Accounts payable and accruals	**(46,862)**	18,491
Net change in cash	**(342,543)**	(1,277)
Cash, beginning of year	**1,268,417**	1,269,694
Cash, end of year	**925,874**	1,268,417

The accompanying notes are an integral part of these financial statements

Canada Company: Many Ways to Serve
Notes to the Financial Statements
For the year ended December 31, 2022

1. Nature of operations

Canada Company: Many Ways to Serve (the “Organization”) was incorporated under the authority of Canada Corporations Act without share capital on February 1, 2008 and is registered as a charitable organization for income tax purposes. The Organization’s purpose is develop unique programs to assist those in the military and their families.

The Organization is exempt from income tax under section 149(1)(l) of the Income Tax Act.

2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"). They include the accounts of two funds: the General Fund and the Scholarship Fund. Each of these funds has associated with it specific revenue and expenditures.

Fund Accounting

The Organization follows fund accounting to account for and report on the objectives of the Organization. For financial statement purposes, the funds have been grouped into the following funds:

Scholarship fund
The scholarship fund reports the Organization's scholarship activities. The purpose of this fund is to support post-secondary education endeavours of the children of fallen Canadian soldiers and subject to both internally and externally imposed covenants. A third party holds and manages the fund and funding is based on an individual basis without a predetermined use.

All other transactions and balances are reported in the General Fund.

Revenue recognition

The Organization follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted fundraising revenue and expenses of future period are deferred and recognized as revenue in the year in which the related expenses are incurred.

Unrestricted investment income is recognized as revenues in the general fund when gains/losses are realized.

Pledges receivable and donations and gifts relating to events and agreements, are recognized provided collection is reasonably certain.

Government assistance

The Organization makes periodic applications for financial assistance under various government incentive programs. Government assistance received during the year are recognized as revenue once assistance eligibility requirements are met and collection is reasonably assured.

Donations In-Kind

The fair value of contributed materials and services, which would otherwise be paid for by the Organization, is recognized when received.

In instances whereby the fair value is not readily available, the contributed materials and services are not recognized in these financial statements.

Financial instruments

The Organization recognizes financial instruments when the Organization becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Organization may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Organization has not made such an election during the year.

The Organization subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment. With the exception of financial liabilities indexed to a measure of the Organization's performance or value of its equity and those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess of revenues over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Related party financial instruments

The Organization initially measures the following financial instruments originated/acquired or issued/assumed in a related party transaction ("related party financial instruments") at fair value:

- Investments in equity instruments quoted in an active market
- Debt instruments quoted in an active market
- Debt instruments when the inputs significant to the determination of its fair value are observable (directly or indirectly)

All other related party financial instruments are measured at cost on initial recognition. When the financial instrument has repayment terms, cost is determined using the undiscounted cash flows, excluding interest, dividend, variable and contingent payments, less any impairment losses previously recognized by the transferor. When the financial instrument does not have repayment terms, but the consideration transferred has repayment terms, cost is determined based on the repayment terms of the consideration transferred. When the financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received (refer to Note 3).

At initial recognition, the Organization may elect to subsequently measure related party debt instruments that are quoted in active market, or that have observable inputs significant to the determination of fair value, at fair value.

The Organization subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Financial instruments that were initially measured at cost and derivatives that are linked to, and must be settled by, delivery of unquoted equity instruments of another entity, are subsequently measured using the cost method less any reduction for impairment.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of related party financial instruments are immediately recognized in excess of revenues over expenses.

Measurement uncertainty (use of estimates)

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information become available in the future.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the year in which they become known.

Canada Company: Many Ways to Serve
Notes to the Financial Statements
For the year ended December 31, 2022

3. Related party transactions

During the year, board members contributed office space, supplies, and administrative staff with no cost to the Organization. No amount has been recorded in the Organization's financial statements reflecting these transactions because of the difficulty of determining fair value. Donations of $57,714 (2021 - $63,500) were received from board members during the year.

The Organization has established a scholarship fund administered by a private organization. At December 31, 2022, the fair value of the scholarship fund, held by a private organization was approximately $3,487,000 (2021 - $4,056,000) which includes withdrawals of $184,086 (2021 - $84,063) to fund the scholarship awards and associated expenses. This is not reflected in the financial statements of the Organization.

4. Fundraising Ratio

The fundraising ratio, which represents fundraising expenses as a percentage of total tax-receipted donations from all sources and non-tax receipted revenues from fundraising, has been determined to be 4%. (2021 - 4%)

5. Commitments

The Organization has made a commitment to donate $126,000 to Perley and Rideau Veterans' Health Center Foundation over five years as follows:

2023	61,000
2024	35,000
2025	15,000
2026	15,000
	126,000

The pledge is for the Answer the Call fundraising campaign that will be invested in research and evidence-based innovation to improve and influence care for older Canadians at the Perley and Rideau Veterans' Health Care Foundation.

6. Financial instruments

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

6. Financial instruments *(Continued from previous page)*

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organiation's financial instruments that are exposed to concentrations of credit risk relate primarily to cash. The Organization manages its exposure to this risk by maintaining cash with a major financial institution. The Organiation also has credit risk to the extent that pledges receivable are not collectible. The Organization manages this risk by closely monitoring delinquent pledges and ensuring that late pledges and deviations are pursued.

Liquidity risk

Liquidity risk is the risk that the Organization encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk arises from accounts payable and accrued liabilities. The Organization continues to focus on maintaining adequate liquidity to meet operating working capital requirements.

7. Government Assitance

In the prior year, the Organization applied for the Canadian Emergency Wage Subsidy ("CEWS") and Temporary Wage Subsidy ("TWS") from the Government of Canada .The total amount of government assistance received from CEWS was recorded as revenue on the statement of operations and totaled $Nil (2021 - $47,737).